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WORLD FOOD PROGRAMME THANKS AMERICAN PEOPLE FOR CONTRIBUTIONS

WFP's Crossley describes food distribution obstacles in Sudan

By Charles W. Corey
Washington File Staff Writer

Washington -- An official from the United Nations World Food Programme (WFP) May 11 publicly thanked the Bush administration, the U.S. Congress and the American people for being "far and away" the largest donor to WFP operations in Sudan and world-wide.

Kenn Crossley, the U.S. relations officer for WFP, made that point before the House Hunger Caucus and its companion group, the Congressional Human Rights Caucus. Concerned lawmakers called the WFP official to Washington, along with representatives from the U.S. Agency for International Development (USAID), to brief them on developments in Darfur and the surrounding region and to explain WFP's recent decision to cut daily food rations to those in need.

Crossley, who also currently manages strategic humanitarian affairs for WFP for Sudan, North Africa and the Middle East, told the lawmakers that in Sudan, since 2005, WFP has received \$690 million in contributions from the United States, out of a total of \$975 million.

Crossley credited the United States with "clearly ... driving all of the effective response in Sudan right now."

TIMING OF DONOR CONTRIBUTIONS CRUCIAL

He then went on to explain the context in which WFP decided to cut rations for those receiving food aid in Darfur and elsewhere.

In addition to Sudan, “Kenya, Uganda, Democratic Republic of Congo (DRC), Angola, Liberia, Chad and several other countries have already or very recently gone onto partial rations or are about to go onto partial rations,” he said.

He said the ration cuts came about because of the timing of donor contributions. “Timing is of the essence in order to have an effective donor response. Sadly, the food that doesn’t arrive until October cannot be eaten in May, and we need to take that into account when we are planning our operations.”

WFP, Crossley explained, usually factors in a four-to-six-month lead time before food from donors is actually distributed to the hungry in Sudan. He credited USAID’s emergency food shipments of 47,600 tons of food (worth \$48 million), announced by President Bush May 8, for being an exception to that rule, saying it is moving “lightening fast” to help those in need.

DISTRIBUTION PROBLEMS IN SUDAN

Crossley told the lawmakers that food aid procurement and distribution is complicated and cumbersome, especially in Sudan. “Food has to be procured. It has to be shipped. It has to be off-loaded. It has to be warehoused while it clears through customs. It has to be then shipped on primary transport to a transshipment hub” and then possibly shipped several more times before it reaches partners for distribution to those in need, he said.

“All of this is happening in a terrain which has no transport infrastructure -- once you get off three or four main corridors. Especially where the need is greatest, there is no infrastructure ... and ... insecurity can interrupt the entire chain” at any time, he said.

Further complicating the situation, he said, is the fact that Sudan is a country in which “a lot of permits and authorities need to be obtained to move anything anywhere, including travel of staff and implementing partners, etc.” WFP, he reminded his audience, is 100 percent voluntarily financed by the international donor community and, at times, funding runs out. “When the bank runs dry we have a problem, and we have reached this point in Sudan. We can no longer continue to finance without

donor contributions,” particularly money to help pay for operations under way. “With no new contributions to draw upon, we could no longer sustain the pace at which we were running the operations. We were forced to reduce the rations,” he said.

SEASONAL HUNGER PERIODS ALSO A FACTOR

Returning to the timing issue, Crossley said timing is also important in Darfur because of seasonal hunger times -- which in Sudan fall on the last couple of months before the harvest, between August and October.

That is the time when there is the least food available in the country and when the rains cut off access to many areas, especially in western Darfur. “So, in order to for the food to get into the people during the peak hunger season,” he said, “it needs to get in there before the rains.”

That is another reason why timing is so “incredibly important” in the donor cycle, he said, and why WFP needs to have the food “up front and in hand and not just on paper” before the peak hunger season hits.

While he called the ration cuts “regrettable,” he said it is better to do it now than during the peak hunger months, when the populations are least accessible. He quickly added, however, that full rations could be restored during the peak of the hunger months, but for that to happen, “we need contributions now,” in the next week, so the food procurement cycle can begin immediately.

For additional information, see Darfur Humanitarian Emergency:

<http://usinfo.state.gov/af/africa/darfur.html>

U.S. TO URGE DEVELOPMENT BANKS TO ADJUST FOCUS, OFFICIAL SAYS

Banks should work to better help poor, Treasury’s Lowery adds

By Kathryn McConnell
Washington File Staff Writer

Washington -- The United States in upcoming meetings with the African Development Bank (ADB) and European Bank for Reconstruction Development (EBRD) will urge the regional institutions to adjust their focus to best serve the poor, says a senior official of the U.S. Treasury Department.

Briefing reporters May 12 at the State Department's Foreign Press Center in New York, Clay Lowery, Treasury assistant secretary for international affairs, said the United States hopes the ADB will advance to the "next level" of development assistance by focusing on policies more relevant to policy-makers and practitioners, such as infrastructure improvements and fighting corruption.

In the past, the ADB grew continually without adjusting its policies as new needs were identified, Lowery said. The ADB "can't be all things to all people" in Africa, he said.

Lowery will represent the United States at the ADB annual meeting, May 17-18 in Ouagadougou, Burkina Faso.

Lowery said when he meets with the EBRD, which gathers in London on May 21-22, he will present the U.S. view that the bank's focus should shift away from the countries it has assisted since its founding in 1990 to still-poor areas of Southern Europe and the former Soviet Union -- such as Armenia, Georgia and parts of Russia.

EBRD should "graduate" countries that are now part of the European Union -- countries whose average annual income per capita has grown to \$10,000. Areas needing more help have an average annual income per capita of \$2,000, he said.

Lowery said Russian oil revenues are not benefiting all of Russia's regions and that parts of the country remain as poor as parts of Africa. He recommended that the EBRD post staff in these poorer regions to help develop small- and medium-sized businesses.

On another matter, Lowery said he met with representatives of New York's financial community about how to attract more foreign investment to the United States. He said the United States wants to "correct" policies that may have led to concerns by some foreign investors that the United States is "not as welcoming as we used to be."

Lowery said he expressed to representatives of New York-based financial companies that U.S. policies that ensure U.S. security and policies that welcome foreign investment "are not mutually exclusive" and that the United States wants more investment from abroad.

Lowery also touched on India and China. India, he said, could do more to attract investment by improving its dispute settlement process.

And, he said, China's pace at making its exchange rate more flexible "is not fast enough."

A more flexible exchange rate would be good both for the global economy and China's own, he said.

UNITED ARAB EMIRATES JOINS U.N. HUMANITARIAN DONOR GROUP

U.S. seeking more partnerships for Donor Support Group

By Vince Crawley
Washington File Staff Writer

Washington -- The United States is seeking more countries to join a U.N. humanitarian donor partnership group -- thereby playing a greater role in international cooperation during emergencies -- and the United Arab Emirates announced its membership May 10.

The United Arab Emirates announcement means there are now 18 countries, plus the European Union, in the Donor Support Group, which is the governing body for the U.N.'s Office for the Coordination of Humanitarian Affairs (OCHA).

Membership in the Donor Support Group means joining a close-knit group of the most active humanitarian donors in the world, said Bill Garvelink, a senior official with the U.S. Agency for International Development (USAID).

Trading e-mails and phone calls among a small, often informal circle of administrators, these donors help manage the distribution of more than \$2 billion of OCHA relief funds annually, as well as coordinate their own countries' emergency efforts to avoid overlap and duplication of effort at critical times when lives are at stake.

The United States is nearing the end of its yearlong rotating chairmanship of the group, and Garvelink actively is seeking more nations to join, he said in a Washington File interview following a Support Group conference in Istanbul, Turkey, at the end of April.

Membership in the Donor Support Group costs \$300,000 a year to help run U.N. administrative offices, said Garvelink, who is deputy assistant administrator for the USAID's Bureau for Democracy, Conflict and Humanitarian Assistance.

EMERGENCY RESPONSES INCREASINGLY REGIONAL

Response to humanitarian emergencies is increasingly regional and even global in scale, he said. Membership in the U.N. mechanism allows better coordination with myriad relief efforts and also improves international recognition of each country's contributions to emergencies, as well as coordination with contributions by nongovernmental organizations (NGOs).

Countries such as the United Arab Emirates, Turkey, China, South Korea and many others already together are contributing hundreds of millions of dollars to world emergencies, Garvelink said. By joining the support group, these countries are not just donors but also emerging partners in the international community, with more say on how that money best would be spent.

For example, Turkey provided \$150 million in assistance to Pakistan following the October 2005 South Asia earthquake, Garvelink said. Other Middle Eastern countries donated hundreds of millions of dollars, primarily through the Red Crescent societies. "It would be useful if everybody knew about that," he said.

By integrating such efforts into the humanitarian networks of the United Nations, the donations "get reported very quickly" and international relief administrators can reduce overlapping efforts. (See U.S. Response to the Earthquake in South Asia.)

Also, regional partnerships are forming to contend with the increasingly multinational scale of disasters. Middle Eastern nations may want to pool their resources to form a regional group, with pre-stocked warehouses. "The U.A.E. could become a regional hub for humanitarian assistance," Garvelink said. "\$300,000 is not that much for the U.A.E. to join the system."

The United Arab Emirates announced its membership during an OCHA meeting May 10 in Abu Dhabi, according to the OCHA news and information service.

"The current humanitarian scene calls for leveraging cooperation among U.N. agencies and NGOs to enhance

dialogue, exchange information, and develop ideas for effective humanitarian work," said Sheikh Hamden bin Zayed Al Nahyan, United Arab Emirates deputy prime minister and head of the its Red Crescent.

The United Arab Emirates membership was expected to lead to its greater involvement with multinational organizations delivering aid throughout the Middle East, OCHA said.

Many nations view the United Nations as "kind of a closed group" where emerging nations have little clout, Garvelink said. But the Donor Support Group is a small, informal group of like-minded members. "We've got each other's phone numbers and e-mails," he said.

CENTRAL EMERGENCY RESPONSE FUND

When the Asian Tsunami showed a need for a system that can very rapidly respond to a sudden and complex catastrophe, the Donor Support Group helped lay the groundwork for the new \$500 million Central Emergency Response Fund (CERF), Garvelink said. The United States in April announced it will contribute \$10 million to the new CERF reserve. (See related article.)

Jan Egeland, the U.N. under secretary-general for humanitarian affairs, announced May 10 that \$32 million of CERF money will be made available for what the United Nations considers the "10 most underfunded emergencies in the world," according to a United Nations press release. CERF was approved by the General Assembly in December 2005 and officially launched in March.

The Donor Support Group meets several times each year, including an annual field meeting to view firsthand the results of the group's work. The most recent field meeting took place in Pakistan to survey relief efforts following the October 2005 earthquake that killed tens of thousands of people in the nearly inaccessible mountains north of Islamabad.

Members of the Donor Support Group include: Belgium, Canada, Denmark, the European Union, Finland, France, Germany, Great Britain, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the United States and now the United Arab Emirates.

U.S., VIETNAM REACH PRELIMINARY AGREEMENT ON MARKET ACCESS

Move helps clear way for Vietnam to join World Trade Organization

By Ralph Dannheisser
Washington File Special Correspondent

Washington -- The United States and Vietnam have reached an agreement in principle on a bilateral market access agreement that will lower trade barriers to many U.S. industrial and agricultural products and services, the Office of the United States Trade Representative (USTR) announced May 14. The agreement will help clear the way for Vietnam's accession to the World Trade Organization (WTO), the USTR said.

"This is a very good agreement for the United States. It opens a new and growing market for American agricultural goods, services such as financial services, and manufactured products," U.S. Trade Representative Rob Portman said in a press statement.

"This agreement also signals an historic step in our bilateral relationship," Portman said. "Vietnam recognizes that broad-based reform and economic liberalization are essential to its integration into the global economy. We intend to work hard with Vietnam to complete the process of its full accession to the WTO in the near future."

According to the USTR's statement, the agreement would substantially lower tariffs on U.S. industrial and agricultural products and remove non-tariff barriers currently faced by U.S. service providers. It also would continue the process of political and economic reform in Vietnam, including development of increased transparency in commercial activity and adherence to the rule of law, the USTR said.

The announcement noted that the formal signing of the bilateral agreement would take place in the near future once both sides have undertaken the required legal and legislative consultations.

Briefing reporters in a conference call May 14, senior U.S. trade officials said the agreement would boost access by U.S. companies to the fastest-growing market in Southeast Asia -- one that has experienced a 50 percent increase in gross domestic product over the past four years.

Two-way trade between the United States and Vietnam already has grown to more than 7.8 billion dollars a year, an increase of more than 400 percent since 2001.

Without providing precise industry-by-industry details, an official noted that, in the manufacturing area, 94 percent of imports from the United States would encounter Vietnamese duties of 15 percent or less. On key products like construction equipment, pharmaceuticals and aircraft, for example, the negotiated duties would fall between zero and five percent, the briefer said.

He called the agreement "similarly positive" for U.S. agriculture, as duty rates are pegged at 15 percent or less for a wide range of products. As for the service area, one of the officials said, the agreement would "open up key sectors like telecom, financial services and energy services, (and) open up branching in the non-life insurance sector and in securities."

The official described the agreement as "a major accomplishment in a 20-year process of the normalization of bilateral relations between the U.S. and Vietnam."

He deemed it important that Congress act quickly to grant Vietnam permanent normal trade relations once the agreement is signed in final form. Ongoing consultations with legislators have shown broad, bipartisan support, and "we don't believe this should be a contentious vote," he said.

Noting that Vietnam is serving as the chair of the Asia-Pacific Economic Cooperation (APEC) forum this year, one trade official said that the country would now be in a stronger position to use that office to support a successful conclusion of the World Trade Organization Doha negotiations. (See APEC.)

Asked whether a final U.S.-Vietnamese agreement could be ready for signing at the APEC meeting scheduled for next month, the officials declined to set a specific timeline.

The signing will come "as soon as possible," and "if things could work out that it could be done in Vietnam in early June, that would be great," he said.

For more information, see USA and the WTO:
http://usinfo.state.gov/ei/economic_issues/WTO.html

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